

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL**

FOR: HEALTH CARE FINANCING ADMINISTRATION

1. TRANSMITTAL NUMBER:

0 2 - 0 0 5

2. STATE:

Arkansas

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL
SECURITY ACT (MEDICAID)

4. PROPOSED EFFECTIVE DATE

February 21, 2002

TO: REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES

5. TYPE OF PLAN MATERIAL (Check One):

☐ NEW STATE PLAN☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:

42 CFR Part 447.272

7. FEDERAL BUDGET IMPACT:

a. FFY 2002 \$ 5,066,226

b. FFY 2003 \$ 8,527,748

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 4.19-D, Appendix I, Pages 2-2J

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (If Applicable):

None - New Page *

10. SUBJECT OF AMENDMENT:

Non-state Public Nursing Facilities will qualify for a monthly reimbursement
adjustment up to the total Medicare-related upper payment limit.

11. GOVERNOR'S REVIEW (Check One):

☐ GOVERNOR'S OFFICE REPORTED NO COMMENT☐ OTHER, AS SPECIFIED:☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

12. SIGNATURE OF STATE AGENCY OFFICIAL:

Ray Hanley by [Signature]

13. TYPED NAME:

Ray Hanley

14. TITLE:

Director, Division of Medical Services

15. DATE SUBMITTED:

February 21, 2002

16. RETURN TO:

Division of Medical Services
P. O. Box 1437, Slot S295
Little Rock, AR 72203-1437

Attention: Binnie Alberius

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:

25 FEBRUARY 2002

18. DATE APPROVED:

1 APRIL 2002

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

21 February 2002

20. SIGNATURE OF REGIONAL OFFICIAL:

Calvin G. Cline

21. TYPED NAME:

CALVIN G. CLINE

22. TITLE:

ASSOCIATE REGIONAL ADMINISTRATOR
DIV OF MEDICAID AND STATE OPERATIONS

23. REMARKS:

* Pen & ink change made per 3/6/02 request.



**DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services**

Calvin G. Cline

Associate Regional Administrator, Medicaid and State Operations

1301 Young Street, Room 827
Dallas, Texas 75202
Phone (214) 767-6301
Fax (214) 767-0270

April 1, 2002

Our reference: SPA-AR-02-05

Mr. Ray Hanley, Director
Division of Medical Services
Arkansas Department of Human Services
Post Office Box 1437, Slot 1103
Little Rock, Arkansas 72203-1437

Dear Mr. Hanley:

We have reviewed the proposed amendment to your Medicaid State plan submitted under transmittal no. (TN) 02-05. This amendment revises the plan language effective for services on or after February 21, 2002, for payments to nursing facilities. This amendment provides for additional monthly payments to the non-state government owned or operated nursing facility with the largest number of Medicaid days from the previous state fiscal year. The nursing facility will receive the difference between the aggregate upper payment limit for all non-state government owned or operated nursing facilities and the Medicaid per diem payments made to those facilities.

We conducted our review of your submittal according to the statutory requirements at sections 1902(a)(13)(A) and 1902(a)(30) of the Social Security Act and the regulations at 42 CFR 447 Subpart C. Based on the information you submitted we have approved the amendment for incorporation into the official Arkansas State plan effective February 21, 2002. We have enclosed a copy of HCFA-179, TN 02-05, dated April 1, 2002, and the amended plan page. If you have any questions, please call Billy Bob Farrell at (214) 767-6449.

Sincerely,

Calvin G. Cline
Associate Regional Administrator
Division of Medicaid and State Operations

cc: Elliot Weisman, CMSO, PCPG
Commerce Clearing House
Enclosures



8. Non-State Public Nursing Facility Adjustment

Effective February 21, 2002, a non-state public nursing facility (that is, a public nursing facility that is not owned or operated by the State of Arkansas) shall qualify for a monthly reimbursement adjustment. The adjustment shall result in total payments to the public nursing facilities that are equal to but not in excess of the total of each individual facility's Medicare-related upper payment limit. The public nursing facility with the greatest number of Medicaid days by date of service from the previous state fiscal year will receive the adjustment. The adjustment shall be calculated as follows:

Once a year:

1. All Minimum Data Set (MDS) submissions for the previous state fiscal year for Medicaid residents by public nursing facility will be processed through the Medicare 44-group RUG classification system to attain the RUG score.
2. A report will be generated by facility identifying all prescription drugs, lab and x-ray paid by Medicaid for Medicaid residents. Total cost will be divided by twelve to derive a monthly amount.
3. A report will be generated by facility identifying Medicaid resident days for the previous fiscal year. Total days will be divided by twelve to derive a monthly amount.

Monthly:

1. The current Medicare rate associated with each RUG score will be assigned as if the resident were Medicare.
2. An average rate will be calculated by facility from all rates determined above.
3. The difference in a facility's average Medicare rate and the facility's Medicaid rate is calculated.
4. This difference is multiplied by the number of monthly Medicaid resident days.
5. The monthly amount of prescription drugs, lab and x-ray charges will be subtracted from the product calculated in step 4 by facility.
6. The total UPL amount is the sum of the amounts calculated in step 5.
7. Payment shall be made on a monthly basis by the fifteenth of the month.

CHANGES: NONE - NEW PAGE

STATE <u>Arkansas</u>	A
DATE REC'D <u>02-25-02</u>	
DATE APP'D <u>04-01-02</u>	
DATE EFF <u>02-21-02</u>	
HCFA 179 <u>AR 02-05</u>	